



ILIM - The week that was – WEEK 24 (ending 12/06/2015)

“The beginning is the most important part of the work.” - Plato

Irish inflation fall continues in May – The CSO reported prices fell by 0.3% in the year to May, the sixth successive such monthly fall, as prices for clothing, transport, food, household equipment and maintenance all recorded falls. Prices however rose in May from April by 0.3%, led by a rise in transport and communications.

ESRI warns government against expansive budget – The Economic and Social Research Institute has urged the Government to drop its plan to expand the 2016 budget by up to €1.5 billion, saying “it’s important we keep in mind the lessons of the past.” This follows similar warnings from the Irish Fiscal Advisory Council.

IMF pull out of Greece talks – Greece’s bailout negotiations were in turmoil after the International Monetary Fund departed the negotiations and their Brussels delegation returned to Washington, citing a lack of progress on a deal. European Council president Donald Tusk sharply criticised Greece for “gambling with its future.”

German Bund yield hits 1% for the first time since September 2014 – A perception that inflation is likely to pick up in the months ahead has led to the German 10 year bond yield being currently more than double the level it traded at the start of the month. It hit a record low of 0.05% in April after the launch of QE by the ECB..

World Bank urges Fed to postpone rate rise – The World Bank joined the IMF in encouraging the U.S. Federal Reserve to hold off raising rates until next year, citing an uneven U.S. recovery, stronger dollar and the risks to emerging markets of tightening policy any sooner. The Fed hasn’t increased rates since 2006.

MSCI turns down Chinese stocks for index inclusion – Global index provider MSCI rejected the addition in 2015 of Chinese A-shares in one of its key benchmark indexes for global stock markets, dealing a setback to Beijing’s efforts to further open up its domestic capital markets. They said this will be reviewed again in 2016.

The Story of the week: They say we all have seven doppelgängers living across the globe and most of us will never meet even one of our 'twin strangers'. However one Irish woman, Niamh Geaney, met two, the first - Karen Branigan - a woman who looked exactly like her living just an hour away but the second lived a little bit further away - in Italy. She discovered them both through social media and hopes to find even more. See Google for resemblances.

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Index Performances and Market Data*

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD (to 11/06)
ISEQ	-3.0	0.6	14.7	35.8	16.8	21.9
FTSE 100	9.0	-5.6	6.0	18.7	0.7	6.4
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	15.0
S&P 500	12.8	0.0	12.4	32.4	13.7	3.4
Nasdaq	16.9	-1.8	14.1	36.9	14.8	7.3
Nikkei	-3.0	-17.3	16.24	59.4	7.1	16.8
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	4.9
MSCI World	17.2	-7.62	12.1	26.3	10.4	5.6
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.4
German	3.0	1.8	1.4	1.9	0.5	0.9
UK	3.4	2.0	1.9	3.0	1.9	2.0
Japan	1.1	1.0	0.7	0.7	0.3	0.5
Ireland	9.1	8.4	4.5	3.4	1.3	1.6
Italy	4.8	7.1	4.6	4.1	2.1	2.2
Greece	12.5	31.7	12.7	8.2	9.6	11.0
Portugal	6.6	13.4	6.9	6.1	2.7	2.9
Spain	5.5	5.1	5.4	4.1	1.6	2.2
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.12
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.72
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.55
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance